

fects in France, which had escaped the effects of the crisis of 1873 by the forced liquidation of the Franco-Prussian War. The severity of the crisis in France was due in a large measure to the education in the employment of negotiable securities which was afforded by the payment of the great war indemnity. The masses of the French people, little accustomed up to that time to any form of saving but in coin and lands, emptied their hoards in the purchase of national securities, partly from a great outburst of patriotic feeling, but partly also because they felt that the guarantee of the government gave safety and tangibility to engraved pieces of paper, which under other circumstances they would have refused to look upon as a sensible investment. The habit of accepting such securities once formed, and the advantage derived from their regular returns once enjoyed, it became easier to tempt the French peasant and workman to experiment with other securities of a less certain guarantee.<sup>1</sup> Investment societies, trust companies, and syndicates sprang up like mushrooms in the speculative atmosphere of Paris, and those which were upon too grand a scale for any but the great financiers and the rich had their imitators among the adventurers of the street, who accepted gratefully in instalments the petty savings of the poor.<sup>2</sup> The loans of the *Credit Foncier* swelled from 50,000,000 francs in 1879 to 278,000,000 francs in 1881, while the *Credit Central Français*, the *Union Générale* and the *Banque de la Loire* were types of great investment companies whose shares ran brief careers of extravagant advances in price.<sup>3</sup>

It was not in France alone that speculation assumed a new development in the eighth decade of the century. Speculation in earlier times had been largely limited to the raw materials and finished products of commerce, and the bursting of the bubble had come when high prices made goods unmarketable and continuances of loans at the old rates could no longer be obtained at the banks. The much more

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<sup>1</sup> Leroy-Beaulieu, II., 218. <sup>2</sup> Jannet, 385-86. <sup>3</sup> Juglar, 435.